

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1681-01  
Bill No.: HB 777  
Subject: Auditor; State; Transportation  
Type: Original  
Date: February 15, 2015

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Bill Summary: This proposal changes the laws regarding audits for transportation development districts.

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

**Oversight** was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

In response to a similar version (HB 136) from this year, officials from the **Office of the State Auditor** and the **Department of Transportation** each assumed the proposal would have no fiscal impact on their respective organizations.

In response to a similar version (HB 136) from this year, officials from the **Department of Revenue** assumed this legislation will require the department to create a form. This form could be set up in the departments existing county fees system without any additional resources.

In response to a similar version (HB 136) from this year, officials from the **City of Kansas City Public School District** assumed the proposal will have no fiscal impact on their organization.

Officials from the **Department of Elementary and Secondary Education (DESE)** state Article IX, section 7 of the Constitution of Missouri, requires the clear proceeds of all penalties, forfeitures, and fines collected for any breach of the penal laws of this state to be distributed to the schools. DESE assumes this proposal is conflicting with the Constitution.

**Oversight** notes that the Office of the State Auditor (SAO) issued report No. 2013-065 in 2013 entitled Transportation Development Districts regarding their financial statement reporting requirements. The report stated as of December 31, 2011, 49 districts (of the 176 at the time) filed financial statements/audit reports late or did not file financial statements with the Office of the State Auditor at all. While a fine for late filing of financial statements is provided, Section 105.145.8 currently does not establish the agency responsible for the assessment or a collection mechanism for these fines; therefore, no fine revenue has been collected to date. The report also stated, as of February 1, 2013, the potential accumulated fine amounts were \$16,859,000.

ASSUMPTION (continued)

This proposal provides that future fine revenue would be distributed to local school districts (after the Department of Revenue retains a collection fee of not more than two percent) in the same manner that proceeds for all penalties, forfeitures, and fines collected for any breach of the penal law of the state are distributed. **Oversight** assumes the \$500 fine is already established in statutes and that Transportation Development Districts (currently 195 districts) will timely submit their financial statements. Therefore, Oversight will assume no additional fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

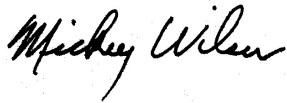
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Department of Transportation  
Office of the State Auditor  
Department of Revenue

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
February 15, 2015

Ross Strobe  
Assistant Director  
February 15, 2015